WHAT IS CLAIMED IS:

1. A method for transmitting data in encrypted form over a communication link from a transmitter to a receiver comprising, in combination, the steps of:

providing a seed value to both the transmitter and receiver,

generating a like sequence of pseudo-random key values based on said seed value at both said transmitter and receiver, each new key value in said sequence being produced at a time dependent upon the character of the data being transmitted over said link,

encrypting the data sent over said link at said transmitter in accordance with the current key value in said sequence, and

decrypting the data sent over said link at said receiver in accordance with the current key value in said sequence.

2. The method set forth in claim 1 wherein the data transmitted over said link is divided into fixed length blocks and wherein a new key value is produced each time a predetermined number of said blocks is transmitted over said link.

3. The method as set forth in claim 2 further including the step of generating a second pseudo random sequence of values to alter said predetermined number of blocks each time said key value changes.

4. The method as set forth in claims 1, 2 or 3 including the steps of:

compressing the data to be transmitted into a compressed format at the transmitter prior to said encrypting step, and

decompressing the data recieved at said receiver after said decrypting step.

5. The method as set forth in claim 1 including the further step of transmitting like random number seed values to both said transmitter and said reciever from a control center to enable said transmitter and reciever to communicate encrypted information utilizing said transmitted seed values.